

## Message Text

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51

ACTION NEA-09

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 OMB-01 TRSE-00 DOTE-00 L-02 /032 W

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R 081416Z MAY 75

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC 2098

INFO AMEMBASSY ABU DHABI UAE

AMEBASSY BEIRUT LE

AMCONSUL DHAHRAN SAUDI ARABIA

AMEMBASSY DOHA QATAR

AMEMBASSY JIDDA SAUDI ARABIA

AMEMBASSY KUWAIT KUWAIT

AMEMBASSY MUSCAT OMAN

AMEMBASSY THERAN IRAN

C O N F I D E N T I A L MANAMA 0539

E.O. 11652 : GDS

TAGS : ELAB, EGEN, BA

SUBJECT : LABOR SITUATION IN BAHRAIN

1. SPRING 1975 HAS SO FAR PRODUCED ONLY FEW MINOR WORK STOPPAGES; HOWEVER, TWO ISSUES THREATEN MORE SERIOUS LABOR UNREST BEFORE END OF THE TRADITIONAL "STRIKE SEASON". MAJOR ISSUE AT THIS TIME IS WAGES. INFLATION, AIDED BY LOCAL MERCHANTS' HEAVY MARK-UPS AND EFFECTS OF PORT CONGESTION SURCHARGES ON IMPORTED GOODS, CONTINUES TO TAKE A HEAVY TOLL OF WORKERS' WAGES. BIGGEST SOURCE OF CONTROVERSY, HOWEVER, WAS PASSAGE OF GOVERNMENT-SPONSORED BILL TO RAISE WAGES OF GOVERNMENT EMPLOYEES 15 PER CENT OR MORE. GOVERNMENT IS LARGEST SINGLE EMPLOYER, AND RESULT IS TO ADD \$11.5 MILLION TO PURCHASING POWER, THUS DRIVING PRICES UP EVEN MORE. PRIVATE SECTOR EMPLOYEES WERE QUICK TO REALIZE EFFECTS OF WAGE-PRICE RELATIONSHIP AND MANY ARE DEMANDING RAISES TO EQUAL GOVERNMENT'S, EVEN THOUGH SOME HAD ALREADY RECEIVED SUBSTANTIAL RAISES EARLIER THIS YEAR. AS OF NOW IT APPEARS MOST EMPLOYERS WILL HAVE TO GIVE ADDITIONAL INCREASES OR RISK POSSIBILITY OF

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STRIKES.

2. OTHER ISSUE IS PENDING LABOR LEGISLATION. SOCIAL SERVICE COMMITTEE OF NATIONAL ASSEMBLY IS WORKING OUT "COMPROMISE" BETWEEN GOVERNMENT'S BILL AND BILL SUBMITTED BY LEFT-WING ASSEMBLY MEMBERS, ALTHOUGH TWO BILLS BASICALLY IRRECONCILABLE. (GOVERNMENT BILL, WHICH APPEARS SIMILAR IN MANY RESPECTS TO KUWAIT AND SAUDI LAWS, IS PATERNALISTIC AND GENEROUS IN ITS CONCERN FOR WORKERS' BENEFITS BUT NIGGARDLY IN ITS RECOGNITION OF WORKERS' RIGHTS RE TRADE UNIONISM; LEFT-WING BILL APPEARS TYPICAL ARAB SOCIALIST LABOR LAW - COPIES OF BOTH POUCHED NEA/RA AND BEIRUT.) COMMITTEE SEEMS TO HAVE ADDED TO GOVERNMENT BILL PROVISIONS FROM LEFT-WING BILL PROVIDING FOR MORE FREEDOM OF LABOR MOVEMENT PLUS MANY OF COMMITTEE'S OWN AMENDMENTS. COMMITTEE REPORTEDLY HOPES TO HAVE BILL READY TO SEND TO FULL NATIONAL ASSEMBLY BY MAY 11. BILL IS LIKELY TO COME UP FOR DISCUSSION IN THIS SESSION OF NATIONAL ASSEMBLY, BUT NO LEGISLATION LIKELY TO BE PASSED BEFORE ASSEMBLY REOPENS NEXT FALL AFTER SUMMER RECESS. THERE IS POSSIBILITY LEFTISTS MIGHT SEEK STIR UP LABOR UNREST IN COMING WEEKS IN SUPPORT OF THEIR PARLIAMENTARY EFFORTS TO "LIBERALIZE" COMPROMISE BILL, BUT THIS TACTIC COULD OF COURSE BE TWO-EDGED SWORD INsofar PUBLIC AND ASSEMBLY OPINION CONCERNED.

3. ACTION REQUESTED: EMBASSY WOULD APPRECIATE RECEIVING COPIES OF KUWAIT AND SAUDI LABOR LAWS ALONG WITH COPIES OF READILY AVAILABLE ANALYSES OF THEM.  
TWINAM

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 08 MAY 1975  
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